

Senate Engrossed House Bill

FILED

**JANICE K. BREWER
SECRETARY OF STATE**

State of Arizona
House of Representatives
Forty-eighth Legislature
Second Regular Session
2008

CHAPTER 252

HOUSE BILL 2330

AN ACT

AMENDING SECTIONS 42-11104, 42-11132 AND 42-11152, ARIZONA REVISED STATUTES;
AMENDING SECTION 42-11153, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2008,
CHAPTER 60, SECTION 11; RELATING TO PROPERTY TAX EXEMPTIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 42-11104, Arizona Revised Statutes, is amended to
3 read:

4 42-11104. Exemption for education and library property

5 A. Libraries, colleges, school buildings and other buildings that are
6 used for education, with their furniture, libraries and equipment and the
7 land that is appurtenant to and used with them, are exempt from taxation if
8 they are used for education and not used or held for profit.

9 B. Property and buildings are exempt from taxation if leased from:

10 1. A school district pursuant to a lease or lease-purchase agreement
11 under section 15-342, paragraph 9 or 10.

12 2. A community college district pursuant to a lease or lease-purchase
13 agreement under section 15-1444.

14 C. PROPERTY AND BUILDINGS, INCLUDING LAND, IMPROVEMENTS, FURNITURE AND
15 EQUIPMENT, THAT ARE OWNED BY A NONPROFIT ORGANIZATION THAT IS RECOGNIZED
16 UNDER SECTION 501(c)(3) OF THE INTERNAL REVENUE CODE AND THAT OPERATES AS A
17 CHARTER SCHOOL PURSUANT TO SECTION 15-183 ARE EXEMPT FROM TAXATION BEGINNING
18 ON THE DATE THE NONPROFIT ORGANIZATION ACQUIRES OWNERSHIP OF THE PROPERTY AND
19 BUILDINGS IF THE PROPERTY AND BUILDINGS ARE USED FOR EDUCATION AND ARE NOT
20 USED OR HELD FOR PROFIT.

21 D. WITHIN TEN DAYS AFTER RECEIVING AN INITIAL AFFIDAVIT OF ELIGIBILITY
22 SUBMITTED UNDER SECTION 42-11152 BY A NONPROFIT ORGANIZATION DESCRIBED UNDER
23 SUBSECTION C OF THIS SECTION, THE COUNTY ASSESSOR, ON REQUEST, SHALL ISSUE A
24 RECEIPT FOR THE AFFIDAVIT.

25 E. IF THE NONPROFIT ORGANIZATION DESCRIBED UNDER SUBSECTION C OF THIS
26 SECTION FILES WITH THE ASSESSOR EVIDENCE OF THE ORGANIZATION'S TAX EXEMPT
27 STATUS UNDER SECTION 501(c)(3) OF THE INTERNAL REVENUE CODE, THE ORGANIZATION
28 IS EXEMPT FROM THE REQUIREMENT OF FILING SUBSEQUENT AFFIDAVITS UNDER SECTION
29 42-11152 UNTIL ALL OR PART OF THE PROPERTY IS CONVEYED TO A NEW OWNER OR IS
30 NO LONGER USED FOR EDUCATION. AT THAT TIME THE ORGANIZATION SHALL NOTIFY THE
31 ASSESSOR OF THE CHANGE IN WRITING.

32 F. A NONPROFIT ORGANIZATION DESCRIBED UNDER SUBSECTION C OF THIS
33 SECTION THAT ACQUIRES OWNERSHIP OF PROPERTY THAT WAS PREVIOUSLY OWNED BY
34 ANOTHER NONPROFIT ORGANIZATION AND USED PRIMARILY FOR EDUCATION SHALL COMPLY
35 WITH THE REQUIREMENTS OF SECTION 42-11152 TO QUALIFY AND ESTABLISH
36 ELIGIBILITY FOR EXEMPTION.

37 G. IF A NONPROFIT ORGANIZATION DESCRIBED UNDER SUBSECTION C OF THIS
38 SECTION THAT HOLDS TITLE TO PROPERTY USED PRIMARILY FOR EDUCATION FAILS TO
39 FILE THE AFFIDAVIT REQUIRED BY SECTION 42-11152 IN A TIMELY MANNER, BUT
40 OTHERWISE QUALIFIES FOR EXEMPTION, THE COUNTY BOARD OF SUPERVISORS, ON
41 PETITION BY THE ORGANIZATION, SHALL DIRECT THE COUNTY TREASURER TO:

42 1. REFUND ANY PROPERTY TAXES PAID BY THE ORGANIZATION FOR A TAX YEAR
43 IF THE ORGANIZATION SUBMITS A CLAIM FOR THE REFUND TO THE COUNTY TREASURER
44 WITHIN ONE YEAR AFTER THE DATE THE TAXES WERE PAID. THE COUNTY TREASURER
45 SHALL PAY THE CLAIM WITHIN THIRTY DAYS AFTER IT IS SUBMITTED TO THE

1 TREASURER. THE COUNTY TREASURER IS ENTITLED TO A CREDIT FOR THE REFUND IN
2 THE NEXT ACCOUNTING PERIOD WITH EACH TAXING JURISDICTION TO WHICH THE TAX
3 MONIES MAY HAVE BEEN TRANSMITTED.

4 2. FORGIVE AND STRIKE OFF FROM THE TAX ROLL ANY PROPERTY TAXES AND
5 ACCRUED INTEREST AND PENALTIES THAT ARE DUE BUT NOT PAID.

6 Sec. 2. Section 42-11132, Arizona Revised Statutes, is amended to
7 read:

8 42-11132. Property of educational, religious or charitable
9 organizations, associations or institutions leased
10 to an educational institution

11 A. Property, buildings and fixtures that are owned by AN EDUCATIONAL,
12 a religious or A charitable organization, institution or association and
13 leased to a not for profit educational organization, institution or
14 association are exempt from taxation if the property is used for educational
15 instruction in any grade or program through grade twelve.

16 B. If the EDUCATIONAL, religious or charitable organization,
17 institution or association that owns the property files with the assessor
18 evidence of the organization's tax exempt status under section 501(c)(3) of
19 the internal revenue code and an affidavit by the educational organization,
20 institution or association that it uses the property for educational
21 instruction as described in subsection A of this section, the property
22 qualifies for the tax exemption under this section and is exempt from the
23 requirement of filing subsequent affidavits under section 42-11152 until all
24 or part of the property is conveyed to a new owner or is no longer used for
25 educational purposes. At that time the religious or charitable organization,
26 institution or association must notify the assessor of the change in writing.

27 Sec. 3. Section 42-11152, Arizona Revised Statutes, is amended to
28 read:

29 42-11152. Affidavit; false statements

30 A. Except as provided in sections 42-11104, 42-11109, 42-11110, and
31 42-11111, ~~AND 42-11131 and 42-11132~~ and except for property described in
32 sections 42-11125, ~~and 42-11127~~ AND 42-11132, a person who claims exemption
33 from taxation under article IX, section 2, 2.1 or 2.2, Constitution of
34 Arizona, shall:

35 1. When initially claiming the exemption, appear before the county
36 assessor to make an affidavit as to the person's eligibility. If a personal
37 appearance before the county assessor would create a severe hardship, the
38 county assessor may arrange a mutually satisfactory meeting place to make an
39 affidavit as to the person's eligibility.

40 2. When claiming the exemption in subsequent years, appear before the
41 county assessor or a notary public to make an affidavit as to the person's
42 eligibility.

43 3. Fully answer all questions on the eligibility form or otherwise
44 required by the assessor for that purpose.

1 B. At the assessor's discretion, the assessor may require additional
2 proof of the facts stated by the person before allowing an exemption.

3 C. A person who is in the United States military service and who is
4 absent from this state or who is confined in a veterans' hospital or another
5 licensed hospital may make the required affidavit in the presence of any
6 officer who is authorized to administer oaths on a form obtained from the
7 county assessor.

8 D. A false statement that is made or sworn to in the affidavit is
9 perjury.

10 Sec. 4. Section 42-11153, Arizona Revised Statutes, as amended by Laws
11 2008, chapter 60, section 11, is amended to read:

12 42-11153. Deadline for filing affidavit

13 A. Except as provided in SECTION 42-11104, SUBSECTION E, section
14 42-11109, subsection B, section 42-11110, subsection B, section 42-11111,
15 subsection H, section 42-11131, subsection C and section 42-11132, subsection
16 B, a failure by a taxpayer who is entitled to an exemption to make an
17 affidavit or furnish evidence required by this article between the first
18 Monday in January and March 1 of each year constitutes a waiver of the
19 exemption.

20 B. If a widow, widower or disabled person whose property is exempt
21 from tax under section 42-11111, or an organization that is exempt from
22 federal income tax under section 501(c) of the internal revenue code and is
23 exempt from property tax under article 3 of this chapter, submits a petition
24 after the deadlines prescribed by subsection A of this section, the person or
25 organization may have the waiver redeemed by the county board of supervisors
26 at any regular meeting, except that no taxes that were due and payable before
27 the petition was submitted may be refunded or abated.

APPROVED BY THE GOVERNOR JUNE 6, 2008.

FILED IN THE OFFICE OF THE SECRETARY OF STATE JUNE 6, 2008.

Passed the House March 31, 20 08

by the following vote: 53 Ayes,

3 Nays, 4 Not Voting

[Signature]
Speaker of the House

[Signature]
Chief Clerk of the House

Passed the Senate June 2, 20 08

by the following vote: 25 Ayes,

0 Nays, 5 Not Voting

[Signature]
President of the Senate

[Signature]
Secretary of the Senate

**EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR**

This Bill received by the Governor this

_____ day of _____, 20 _____

at _____ o'clock _____ M.

Secretary to the Governor

Approved this _____ day of

at _____ o'clock _____ M.

Governor of Arizona

**EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE**

This Bill received by the Secretary of State

this _____ day of _____, 20 _____

at _____ o'clock _____ M.

Secretary of State

H.B. 2330

HOUSE CONCURS IN SENATE
AMENDMENTS AND FINAL PASSAGE

June 3, 2008,
by the following vote: 53 Ayes,

0 Nays, 7 Not Voting

[Signature]
Speaker of the House
Speman L. Moore
Chief Clerk of the House

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this
3rd day of June, 2008,

at 11:22 o'clock A. M.

Wendy Ibarra
Secretary to the Governor

Approved this 6 day of

June, 2008,

at 10⁰⁵ o'clock A. M.

[Signature]
Governor of Arizona

H.B. 2330

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State
this 6 day of June, 2008,

at 12:59 o'clock P. M.
Janice K. Brewer
Secretary of State